

**ABSTRACT**

The present invention relates to a new and improved method for treating diabetes and/or its associated complications by modulating the activity of protein tyrosine phosphatase 1B ("PTP-1B"). The inventive compounds modulate the activity PTP-1B by binding to a novel binding site referred herein as the PTP-1B exosite that is distal to the active site of PTP-1B. The present invention also relates to a new and improved method of treating immune system disorders by modulating the activity of T-cell protein tyrosine phosphatase ("TC-PTP"). The inventive compound modulate the activity of TC-PTP by binding to a novel binding site referred herein as the TC-PTP exosite that is distal to the active site of PTP-1B.